

REFERENCE TITLE: **truth in taxation; vote**

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

SB 1478

Introduced by
Senator Bee; Representative Paton: Senators Jarrett, Martin

AN ACT

AMENDING SECTIONS 15-1461.01 AND 42-17107, ARIZONA REVISED STATUTES; RELATING TO TRUTH IN TAXATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 15-1461.01, Arizona Revised Statutes, is amended to
3 read:

4 15-1461.01. Truth in taxation; election, notice and hearing;
5 governing board vote on tax increase; definition

6 A. IF A DISTRICT GOVERNING BOARD INTENDS OR ANTICIPATES AN INCREASE IN
7 THE PRIMARY PROPERTY TAX LEVY, THE GOVERNING BOARD MUST RECEIVE APPROVAL BY
8 THE QUALIFIED ELECTORS OF THE DISTRICT AS FOLLOWS:

9 1. THE GOVERNING BOARD MUST SUBMIT THE ISSUE OF LEVYING INCREASED
10 PRIMARY PROPERTY TAXES TO THE QUALIFIED ELECTORS AT AN ELECTION HELD ON THE
11 THIRD TUESDAY IN MAY.

12 2. THE GOVERNING BOARD SHALL PREPARE AND MAIL ONE COPY OF THE NOTICE
13 OF TAX INCREASE PRESCRIBED BY SUBSECTION B, PARAGRAPH 1, SUBDIVISION (d) OF
14 THIS SECTION TO EACH HOUSEHOLD CONTAINING A REGISTERED VOTER IN THE DISTRICT.
15 THE MAILINGS MAY BE MADE OVER A PERIOD OF DAYS BUT MUST BE MAILED FOR
16 DELIVERY AT LEAST THIRTY DAYS BEFORE THE BEGINNING OF EARLY VOTING.

17 3. THE ISSUE SHALL BE PRESENTED ON THE BALLOT AS FOLLOWS: "MAY THE
18 _____ COMMUNITY COLLEGE DISTRICT RAISE ITS PRIMARY PROPERTY TAXES
19 FOR THE _____ TAX YEAR AS PROVIDED BY THE ARIZONA TRUTH IN TAXATION
20 LAWS? _____ YES _____ NO".

21 4. IF A MAJORITY OF THE QUALIFIED ELECTORS VOTING ON THE ISSUE:

22 (a) APPROVES THE INCREASED PROPERTY TAX LEVY, THE GOVERNING BOARD MAY
23 INCREASE ITS PRIMARY PROPERTY TAX LEVY IN THE CURRENT TAX YEAR IN THE MANNER
24 PRESCRIBED BY THIS SECTION.

25 (b) DISAPPROVES THE INCREASED PROPERTY TAX LEVY, THE GOVERNING BOARD
26 SHALL NOT INCREASE ITS PRIMARY PROPERTY TAX LEVY IN THE CURRENT TAX YEAR.

27 A. B. On or before February 10 of the tax year, the county assessor
28 shall transmit and certify to the property tax oversight commission and to
29 the district governing board the total net primary assessed values that are
30 required to compute the levy limit prescribed by section 42-17051. IF
31 AUTHORIZED BY THE QUALIFIED ELECTORS, AND if the proposed primary property
32 tax levy, excluding amounts that are attributable to new construction, is
33 greater than the amount levied in the preceding tax year by the district:

34 1. The district governing board shall publish a notice that meets the
35 following requirements:

36 (a) The notice shall be published twice in a newspaper of general
37 circulation in the district. The first publication shall be at least
38 fourteen but not more than twenty days before the date of the hearing. The
39 second publication shall be at least seven but not more than ten days before
40 the date of the hearing.

41 (b) The notice shall be published in a location other than the
42 classified or legal advertising section of the newspaper in which it is
43 published.

44 (c) The notice shall be at least one-fourth page in size and shall be
45 surrounded by a solid black border at least one-eighth inch in width.

1 (d) The notice shall be in the following form, with the "truth in
2 taxation hearing - notice of tax increase" headline in at least eighteen
3 point type:

4 Truth in Taxation Hearing
5 Notice of Tax Increase

6 In compliance with section 15-1461.01, Arizona Revised
7 Statutes, _____ community college district is notifying its
8 property taxpayers of _____ community college district's
9 intention to raise its primary property taxes over last year's
10 level. The _____ community college district is proposing
11 an increase in primary property taxes of \$_____ or ____%.

12 For example, the proposed tax increase will cause
13 _____ community college district's primary property taxes
14 on a \$100,000 home to increase from \$_____ (total taxes
15 that would be owed without the proposed tax increase) to
16 \$_____ (total proposed taxes including the tax increase).

17 This proposed increase is exclusive of increased primary
18 property taxes received from new construction. The increase is
19 also exclusive of any changes that may occur from property tax
20 levies for voter approved bonded indebtedness or budget and tax
21 overrides.

22 All interested citizens are invited to attend the public
23 hearing on the tax increase that is scheduled to be held
24 _____ (date and time) at _____ (location).

25 2. In lieu of publishing the truth in taxation notice, the district
26 board may mail the truth in taxation notice prescribed by paragraph 1,
27 subdivision (d) **OF THIS SUBSECTION** to all registered voters in the district
28 at least ten but not more than twenty days before the date of the hearing.

29 3. In addition to publishing the truth in taxation notice under
30 paragraph 1 **OF THIS SUBSECTION** or mailing the notice under paragraph 2 **OF**
31 **THIS SUBSECTION**, the district governing board shall issue a press release
32 containing the truth in taxation notice to all newspapers of general
33 circulation in the district.

34 4. The district board shall consider a motion to levy the increased
35 property taxes by roll call vote.

36 5. Within three days after the hearing, the district board shall mail
37 a copy of the truth in taxation notice, a statement of its publication or
38 mailing and the result of the district board's vote under paragraph 4 **OF THIS**
39 **SUBSECTION** to the property tax oversight commission established by section
40 42-17002.

41 6. The district board shall hold the truth in taxation hearing on or
42 before the adoption of the county, city or town budget under section
43 42-17105.

44 **B. C. IF THE QUALIFIED ELECTORS DISAPPROVE AN INCREASED PRIMARY**
45 **PROPERTY TAX LEVY OR** if the governing board fails to comply with the

1 requirements of this section, the governing board shall not fix, levy or
2 assess an amount of primary property taxes that exceeds the preceding year's
3 amount, except for amounts attributable to new construction.

4 ~~C.~~ D. For THE purposes of this section, "amount attributable to new
5 construction" means the net assessed valuation of property added to the tax
6 roll since the previous year multiplied by a property tax rate computed by
7 dividing the district's primary property tax levy in the preceding year by
8 the estimate of the district's total net assessed valuation for the current
9 year, excluding the net assessed valuation attributable to new construction.

10 Sec. 2. Section 42-17107, Arizona Revised Statutes, is amended to
11 read:

12 **42-17107. Truth in taxation; election, notice and hearing; vote**
13 **on tax increase; definition**

14 A. IF THE GOVERNING BODY OF A COUNTY, CITY OR TOWN INTENDS OR
15 ANTICIPATES AN INCREASE IN THE PRIMARY PROPERTY TAX LEVY, THE GOVERNING BODY
16 MUST RECEIVE APPROVAL BY THE QUALIFIED ELECTORS OF THE DISTRICT AS FOLLOWS:

17 1. THE GOVERNING BODY MUST SUBMIT THE ISSUE OF LEVYING INCREASED
18 PRIMARY PROPERTY TAXES TO THE QUALIFIED ELECTORS AT AN ELECTION HELD ON THE
19 THIRD TUESDAY IN MAY.

20 2. THE GOVERNING BODY SHALL PREPARE AND MAIL ONE COPY OF THE NOTICE OF
21 TAX INCREASE PRESCRIBED BY SUBSECTION B, PARAGRAPH 1, SUBDIVISION (d) OF THIS
22 SECTION TO EACH HOUSEHOLD CONTAINING A REGISTERED VOTER IN THE DISTRICT. THE
23 MAILINGS MAY BE MADE OVER A PERIOD OF DAYS BUT MUST BE MAILED FOR DELIVERY AT
24 LEAST THIRTY DAYS BEFORE THE BEGINNING OF EARLY VOTING.

25 3. THE ISSUE SHALL BE PRESENTED ON THE BALLOT AS FOLLOWS: "MAY
26 [COUNTY, CITY, TOWN] RAISE ITS PRIMARY PROPERTY TAXES FOR THE ____ TAX YEAR
27 AS PROVIDED BY THE ARIZONA TRUTH IN TAXATION LAWS? ____ YES ____ NO".

28 4. IF A MAJORITY OF THE QUALIFIED ELECTORS VOTING ON THE ISSUE:

29 (a) APPROVES THE INCREASED PROPERTY TAX LEVY, THE GOVERNING BODY MAY
30 INCREASE ITS PRIMARY PROPERTY TAX LEVY IN THE CURRENT TAX YEAR IN THE MANNER
31 PRESCRIBED BY THIS SECTION.

32 (b) DISAPPROVES THE INCREASED PROPERTY TAX LEVY, THE GOVERNING BODY
33 SHALL NOT INCREASE ITS PRIMARY PROPERTY TAX LEVY IN THE CURRENT TAX YEAR.

34 ~~A.~~ B. On or before February 10 of the tax year, the county assessor
35 shall transmit and certify to the property tax oversight commission and to
36 the governing body of the county, city or town the total net primary assessed
37 values that are required to compute the levy limit prescribed by section
38 42-17051. **IF AUTHORIZED BY THE QUALIFIED ELECTORS, AND** if the proposed
39 primary property tax levy, excluding amounts that are attributable to new
40 construction, is greater than the amount levied by the county, city or town
41 in the preceding tax year in the county, city or town:

42 1. The governing body shall publish a notice that meets the following
43 requirements:

44 (a) The notice shall be published twice in a newspaper of general
45 circulation in the county, city or town. The first publication shall be at

1 least fourteen but not more than twenty days before the date of the
2 hearing. The second publication shall be at least seven but not more than
3 ten days before the date of the hearing.

4 (b) The notice shall be published in a location other than the
5 classified or legal advertising section of the newspaper in which it is
6 published.

7 (c) The notice shall be at least one-fourth page in size and shall be
8 surrounded by a solid black border at least one-eighth inch in width.

9 (d) The notice shall be in the following form, with the "truth in
10 taxation hearing-notice of tax increase" headline in at least eighteen point
11 type:

12 Truth in Taxation Hearing
13 Notice of Tax Increase

14 In compliance with section 42-17107, Arizona Revised
15 Statutes, _____ (name of county, city or town) is notifying
16 its property taxpayers of _____'s (name of county, city or
17 town) intention to raise its primary property taxes over last
18 year's level. _____ (name of county, city or town) is
19 proposing an increase in primary property taxes of \$_____
20 or ____%.

21 For example, the proposed tax increase will cause
22 _____'s (name of county, city or town) primary property
23 taxes on a \$100,000 home to increase from \$_____ (total
24 taxes that would be owed without the proposed tax increase) to
25 \$_____ (total proposed taxes including the tax increase).

26 This proposed increase is exclusive of increased primary
27 property taxes received from new construction. The increase is
28 also exclusive of any changes that may occur from property tax
29 levies for voter approved bonded indebtedness or budget and tax
30 overrides.

31 All interested citizens are invited to attend the public
32 hearing on the tax increase that is scheduled to be held
33 _____ (date and time) at _____ (location).

34 2. In lieu of publishing the truth in taxation notice, the governing
35 body may mail the truth in taxation notice prescribed by paragraph 1,
36 subdivision (d) **OF THIS SUBSECTION** to all registered voters in the county,
37 city or town at least ten but not more than twenty days before the date of
38 the hearing on the estimates pursuant to section 42-17104.

39 3. In addition to publishing the truth in taxation notice under
40 paragraph 1 **OF THIS SUBSECTION** or mailing the notice under paragraph 2 **OF**
41 **THIS SUBSECTION**, the governing body shall issue a press release containing
42 the truth in taxation notice.

43 4. The governing body shall consider a motion to levy the increased
44 property taxes by roll call vote.

1 5. Within three days after the hearing, the governing body shall mail
2 a copy of the truth in taxation notice, a statement of its publication or
3 mailing and the result of the governing body's vote under paragraph 4 **OF THIS**
4 **SUBSECTION** to the property tax oversight commission.

5 6. The governing body shall hold the truth in taxation hearing on or
6 before the adoption of the county, city or town budget under section
7 42-17105.

8 **B. C. IF THE QUALIFIED ELECTORS DISAPPROVE AN INCREASED PRIMARY**
9 **PROPERTY TAX LEVY OR** if the governing body fails to comply with the
10 requirements of this section, the governing body shall not fix, levy or
11 assess an amount of primary property taxes that exceeds the preceding year's
12 amount, except for amounts attributable to new construction.

13 **C. D.** For the purposes of this section, "amount attributable to new
14 construction" means the net assessed valuation of property added to the tax
15 roll since the previous year multiplied by a property tax rate computed by
16 dividing the primary property tax levy of the county, city or town in the
17 preceding year by the estimate of the total net assessed valuation of the
18 county, city or town for the current year, excluding the net assessed
19 valuation attributable to new construction.

20 Sec. 3. 2006 primary property tax levies; counties, cities,
21 towns and community college districts

22 Notwithstanding sections 15-1461.01 and 42-17107, Arizona Revised
23 Statutes, as amended by this act, for tax year 2006, a county, city, town or
24 community college district shall not fix, levy or assess an amount of primary
25 property taxes that exceeds the amount levied in the 2005 tax year, excluding
26 amounts that are attributable to new construction.